

Message Text

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ACTION PM-04

INFO OCT-01 ISO-00 NEA-10 AID-05 DHA-02 CIAE-00
DODE-00 H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01
PRS-01 SP-02 SS-15 USIA-06 ACDA-07 MC-02 IO-13
IGA-02 TRSE-00 COME-00 EB-07 OMB-01 EA-07 /102 W
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R 130615Z JUL 77
FM AMEMBASSY KATHMANDU
TO SECSTATE WASHDC 8841
INFO CINCPAC
AMEMBASSY NEW DELHI

C O N F I D E N T I A L SECTION 1 OF 2 KATHMANDU 2876

E.O. 11652: GDS
TAGS: MASS, NP
SUBJ: ASSESSMENT OF US SECURITY ASSISTANCE PROGRAM FY-79

REF: STATE 133136

1. FOLLOWING IS EMBASSY'S RESPONSE TO REFTEL. IT HAS BEEN
CLEARED BY DAO.

2. US INTEREST IN NEPAL, ALTHOUGH LIMITED, ARE BASED ON OUR
REGIONAL CONCERNS FOR STABILITY IN SOUTH ASIA. OUR POLITICAL,
ECONOMIC AND MILITARY PROGRAMS ARE DESIGNED TO ENHANCE NEPALJS
ABILITIES TO DEAL WITH ITS LARGER NEIGHBORS, INDIA AND CHINAN, AND
TO THE EXTENT POSSIBLE TO PROMOTE INTERNAL STABILITY, THEREBY RE-
DUCING THE OPPORTUNITY FOR INTERVENTION IN NEPALJS AFFAIRS BY ONE
OF THE MAJOR POWERS IN THE REGION.

3. THE SMALL GRANT TRAINING PROGRAM IN NEPAL ASSISTS THESE OVERALL
OBJECTIVES BY DEMONSTRATING A CONTINUED US INTEREST IN NEPAL'S
ABILITY TO MAINTAIN ITS TERRITORIAL INTEGRITY AND INDEPENDENCE.
EXPOSURE OF SEVERAL KEY MILITARY OFFICERS TO THE UNITED STATES
PROMOTES MODERN CONCEPTS OF THE ROLE OF THE MILITARY IN THIS
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DEVELOPING SOCIETY AND HELPS TO CREATE A FORWARD LOOKING AND
WESTERN ORIENTED MILITARY FORCE IN NEPAL. ALTHOUGH WE RE-
COGNIZE THAT OUR SMALL SECURITY ASSISTANCE DOES NOT SIGNIFICANTLY
ENHANCE NEPAL'S ABILITY TO DETER A FULL SCALE MILITARY ATTACK
FROM EITHER CHINA OR INDIA, IT DOES IMPROVE THE ARMY'S ABILITY
TO DEAL WITH LOCAL INSURGENCY SITUATIONS. THE OBJECTIVES OF
OUR SECURITY ASSISTANCE PROGRAM SHOULD CONTINUE TO EMPHASIZE

TRAINING IN SMALL UNIT LEADERSHIP, COUNTERINSURGENCY, CIVIL AFFAIRS AND EXPOSURE TO THE US STAFF COLLEGE.

4. IN THE 1960S THE US SUPPLIED LIMITED AMOUNTS OF NON-LETHAL MILITARY EQUIPMENT TO NEPAL, MUCH OF WHICH IS NOW WORN OUT AND IN NEED OF REPLACEMENT. THE ROYAL NEPAL ARMY HAS BEEN LOOKING UNSUCCESSFULLY FOR SOURCES TO ASSIST IN BUILDING A NEW MILITARY HOSPITAL. IT REMAINS OUR JUDGMENT, NOT SHARED BY THE DAO, THAT WE SHOULD NOT OFFER ASSISTANCE IN EITHER OF THESE AREAS BUT CONTINUE TO RESTRICT OUR ASSISTANCE TO A SMALL GRANT TRAINING PROGRAM.

5. NEPAL DOES NOT NOW CONSIDER A DIRECT MILITARY CONQUEST BY INDIA OR CHINA TO BE A REAL THREAT ALTHOUGH THEY RECOGNIZE THAT THE RNA WOULD NOT BE CAPABLE OF RESISTING SUCH AN ATTACK. NEPAL CONTINUEUS, HOWEVER, TO HARBOR SUSPICIONS ABOUT INDIA'S LONG RANGE INTENTIONS TOWARD NEPAL, PARTICULARLY SHOULD THE INTERNAL POLITICAL SITUATION DETERIORATE. INDIA COULD, IN SUCH CIRCUMSTANCES, INFLITRATE THE OPEN BORDER TO THE SOUTH WITH DISSIDENT OR ANTI-MONARCHICAL FORCES. WE SHARE THE GOVERNMENT'S BELIEF THAT CURRENT INDIAN POLICY IS AIMED AT MAINTAINING THE STATUS QUO IN NEPAL, BUT WE ALSO RECOGNIZE THAT INDIA HAS THE INHERENT CAPABILITY TO EFFECT POLITICAL CHANGES IN NEPAL THROUGH A BROAD NUMBER OF ECONOMIC, MILITARY AND POLITICIAL MEANS AND TO KEEP NEPAL WITHIN ITS GENERAL SPHERE OF INFLUENCE.

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6. THE PRINCIPAL JUSTIFICATION FOR A CONTINUED US SECURITY ASSISTANCE PROGRAM IN NEPAL IS TO ASSIST IN THE MODERNIZATION OF THE ARMY, JUST AS OTHER ECONOMIC ASSISTANCE PROGRAMS ARE AIMED AT IMPROVING THE GOVERNMENT'S ABILITY TO COPE WITH THE PROBLEMS OF A DEVELOPING SOCIETY. E ARE ALSO INTERESTED IN IMPROVING THE ARMY'S ABILITY TO DEAL WITH INSURGENCY AND INTERNAL SECURITY PROBLEMS, AS WELL AS TO MAINTAIN THE GENERALLY PRO-WESTERN AND PRO-AMERICAN ATTITUDES OF THE ARMY'S TOP LEADERSHIP. ALTHOUGH THE CURRENT THREAT IS MINIMAL, MILITARY CONFLICT BETWEEN INDIA AND CHINA COULD PROVIDE AN OPPORTUNITY FOR EITHER OF THE COMBATANTS TO SEIZE KEY TERRITORY IN NEPAL OR TO DEEM IT NECESSARY TO ATTACK THROUGH NEPALESE TERRITORY. SINCE THE 1962 SINO-INDIAN WAR NEPAL'S HIGHWAY NET HAS EXPANDED TO THE EXTENT THAT EITHER STATE MIGHT BE TEMPTED TO SEIZE AND HOLD KEY ACCESS ROADS IN NEPAL.

7. THE RNA HAS NO ILLUSIONS ABOUT ITS ABILITY TO COUNTER ANY EXTERNAL THREAT BY INDIA OR CHINA. THEY DO HOPE TO BE ABLE TO CONTROL AND SUPPRESS ANY INTERNAL INSURGENCY PROBLEMS, SERVE AS A BACKUP TO THE POLICE IN CERTAIN CIVIL DISORDERS, AND CONTINUE TO BE A PRIME SOURCE OF SUPPORT FOR THE MONARCHY. IN THIS REGARD THEY CONTINUE TO THINK IN TERMS OF A LIGHT

INFANTRY FORCE, SUCH AS THEY HAVE NOW (20,000 MEN IN 13 BATTALIONS,) AS BEST SUITED TO THEIR NEEDS. NONETHELESS, THEY HAVE SOUGHT RELATIVELY EXOTIC WEAPONS SUCH AS HEAT SEEKING ANTI-AIRCRAFT MISSILES TO COUNTER HIJACKINGS AND RAIDS AND RADIO INTERCEPT AND DIRECTION FINDING EQUIPMENT. WE BELIEVE THAT NEPAL SHOULD CONTINUE TO LOOK TO INDIA AS ITS CHIEF SOURCE OF SUPPLY FOR MILITARY EQUIPMENT, ALTHOUGH WE RECOGNIZE THAT FOR POLITICAL PURPOSES THE GOVERNMENT IS LOOKING FOR ALTERNATE SOURCES. A COMPLETE WITHDRAWAL OF US SECURITY ASSISTANCE WOULD HAVE POLITICAL REPERCUSSIONS AND WOULD BE SEEN BY NEPAL AS A DRASTIC REDUCTION IN AMERICA'S INTEREST IN THE COUNTRY'S ABILITY TO SURVIVE AS AN INDEPENDENT ENTITY.

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8. IN FY-79 THE RNA WILL WANT JUNIOR OFFICER IMET IN COMBAT ARMS, STAFF COLLEGE, SPECIAL FORCES, RANGER AND CIVIL AFFAIRS. IT IS UNLIKELY THAT THEY WILL FORMALLY REQUEST EQUIPMENT OR MATERIAL SINCE THEY ARE AWARE THAT WE ARE UNWILLING TO PROVIDE SUCH EQUIPMENT AS GRANT AID OR FMS CREDITS. THEY WILL PROBABLY CONTINUE TO PROBE THE POSSIBILITY OF PROVIDING GRANT ASSISTANCE THROUGH PL-480 FOR A NEW MILITARY HOSPITAL, ALTHOUGH WE HAVE INFORMED THEM THAT SUCH ASSISTANCE IS NOT POSSIBLE. AS STATED

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IGA-02 TRSE-00 COME-00 EB-07 OMB-01 EA-07 /102 W
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R 130615Z JUL 77
FM AMEMBASSY KATHMANDU
TO SECSTATE WASHDC 8842
INFO CINCPAC
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C O N F I D E N T I A L SECTION 2 OF 2 KATHMANDU 2876

ABOVE WE BELIEVE THAT A SMALL PROGRAM OF IMET IS IMPORTANT TO DEMONSTRATE OUR INTEREST AND WILLINGNESS TO SUPPORT THE MODERNIZATION OF THE RNA AS AN IMPORTANT SEGMENT OF NEPALESE SOCIETY.

9. THE CURRENT DEFENSE BUDGET OF NEPAL REPRESENTS ABOUT 5 PERCENT OF THE TOTAL ANNUAL BUDGET. US ASSISTANCE AT CURRENT LEVELS WOULD HAVE NO EFFECT ON NEPAL'S ECONOMY, DEBT SERVICE CAPABILITY OR DEVELOPMENT PLANS.

10. NO FURTHER INCREASE IS REQUIRED IN AMERICAN PERSONNEL TO IMPLEMENT THE IMET. SHOULD USDAO NOT BE PERMITTED TO ADMINISTER SECURITY ASSISTANCE PROGRAM AFTER SEPTEMBER 1977, THE REDUCED EMBASSY STAFF WOULD POSSIBLY HAVE TO BORROW SERVICES OF USDAO LOCAL EMPLOYEE TO PROCESS IMET ACTIONS, ISSUE ORDERS AND HANDLE OTHER STUDENT ADMINISTRATIVE MATTERS.

11. ALL ITEMS WHICH ARE DESIRED BY THE RNA, INCLUDING REPLACEMENT OF US PROVIDED EQUIPMENT IN 1967-68, ARE AVAILABLE FROM OTHER COUNTRIES SINCE THEY ARE ESSENTIALLY COMMON MILITARY HARDWARE. THE GON, HOWEVER, ALLOCATES VERY LITTLE OF ITS RESOURCES TO THE RNA AND LOOKS TO DONOR NATIONS TO SATISFY ITS MILITARY REQUIREMENTS THROUGH OUTRIGHT GRANTS. TO THE BEST OF OUR KNOWLEDGE THE GON HAS NOT MADE ANY FORMAL REQUEST TO ANY GOVERNMENT, CONFIDENTIAL

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YET CONTINUES TO PROBE INFORMALLY WITH THE US AND OTHERS TO CONSIDER MILITARY GRANT AID.

12. THERE ARE NO ARMS CONTROL IMPLICATIONS FOR NEPAL'S DESIRE TO MODERNIZE OR REPLACE WORN OUT MILITARY EQUIPMENT. IN COMPARISON TO ITS NEIGHBORS NEPAL'S MILITARY CAPABILITY IS MINIMUSCLE.

13. NEPAL'S HUMAN RIGHTS RECORD, WHICH HAS BEEN GENERALLY GOOD IN COMPARISON TO NEIGHBORING STATES, HAS COME UNDER ATTACK BY SOME ELEMENTS IN INDIA AS A RESULT OF THE ARREST IN DECEMBER 1976 OF FORMER PRIME MINISTER B.P. KOIRALA. KOIRALA'S RELEASE TO VISIT THE US FOR MEDICAL TREATMENT HAS DAMPENED CRITICISM TO SOME EXTENT, AS HAS THE KING'S ANNOUNCEMENT THAT HE IS WILLING TO CONSIDER CHANGES IN THE COUNTRY'S POLITICAL STRUCTURE. NONETHELESS, THE GOVERNMENT HAS EXPRESSED PRIVATE CONCERN THAT THE AMERICAN ATTITUDE TOWARD ENHANCED HUMAN RIGHTS THROUGHOUT THE WORLD IS SOMEHOW AIMED AT NEPAL'S LACK OF A LEGAL POLITICAL OPPOSITION. WE DOUBT THAT A DENIAL OF CONTINUED MILITARY ASSISTANCE WOULD AFFECT THE GOVERNMENT'S HUMAN RIGHTS PRACTICES IN ANY WAY GIVEN THE MODEST SIZE OF THE ANTICIPATED PROGRAM LEVELS.

14. WE DOUBT THAT NEPAL CAN PROVIDE MUCH SUPPORT FOR OUR OWN POLICY OF CONVENTIONAL ARMS RESTRAINT DESPITE THE FACT THAT IT

IS IN NEPAL'S INTEREST TO SEEK MULTILATERAL ARMS CONTROL AGREEMENTS TO REDUCE THE CAPABILITIES OF INDIA AND CHINA. NEPAL HAS EXPRESSED LITTLE INTEREST IN ARMS CONTROL, ALTHOUGH IT CONTINUES TO PROMOTE THE CONCEPT THAT NEPAL HAS DECLARED A "ZONE OF PEACE".

15. IMET TRAINING AS OUTLINED ABOVE SERVES US INTEREST AS MUCH AS THOSE OF THE RECIPIENT COUNTRY. WE BELIEVE THAT IMET SHOULD CONTINUE TO FOCUS LONG RANGE GOAL OF MODERNIZING THE
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THINKING AND ATTITUDES OF AN ARMY THAT ONLY RECENTLY EMERGED INTO THE 20TH CENTURY. IMET TRAINING HAS BEEN AND SHOULD REMAIN PROFESSIONALLY ORIENTED. GIVEN THE EXTREMELY LIMITED RESOURCES AVAILABLE IT IS UNLIKELY THAT NEPAL WOULD PAY TRAVEL AND LIVING COSTS TO MAXIMIZE AVAILABLE TRAINING IN THE U.S.
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